



August 21, 2014

Tom Wheeler  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, N.W.  
Washington, DC 20554

**Re: MB Docket 14-57: Comcast acquisition of Time Warner Cable - SUPPORT**

Dear Chairman Wheeler:

On behalf of the Los Angeles County Economic Development Corporation (LAEDC), an organization dedicated to promoting job growth, economic expansion and increasing the overall global competitiveness of Los Angeles County and the State of California, please accept this letter **in support** of the proposed transaction between Comcast Corp. ("Comcast") and Time Warner Cable Inc. ("Time Warner"), under which control of the licenses and authorizations held by Time Warner and its wholly-owned and controlled subsidiaries will be transferred to Comcast.

**I. Comcast-Time Warner: Converging to Compete**

The Comcast-Time Warner transaction can be best summed-up in one word: "convergence." Let's be clear, innovation in the 21<sup>st</sup> Century doesn't simply happen in R&D labs, research universities, dorm rooms and makeshift office-garages. In today's hyper-connected world, technological innovation is also spurred by different businesses with established track records and emerging specializations coming together and scaling-up in rapidly changing marketplaces to provide consumers with innovative products, more choices and options, and better service at a reduced cost.

At the macro-level, the convergence of industries as diversified (and sophisticated) as entertainment, information technology, broadcasting, cable, publishing, digital media and others is, in large part, responsible for the creation of many new disruptive technologies and entirely new industries that have (over the last 15 years) changed the way we live, play, learn, interact and do business, as well as providing customers with an increasing and dizzying array of choices. According to the Brookings Institution, which recently published a report that looked at this convergence of industries around technology:

*"Recent analysis ... found tech industries to be less focused on building new technologies but rather 'applying technology to traditional industries like media.' These shifts reinforce and reinterpret notions of proximity and density... [in other words], today's technology revolution is much less about creating the infrastructure*



*and plumbing for the Internet, but about applying technology to traditional industries.”<sup>1</sup>*

No area is more indicative of this phenomenon than the union of media, cable and IT. Convergence in video distribution and communications technologies has changed the competitive landscape dramatically in recent years, with an increasing number of households moving away from traditional cable towards other distribution technologies. Just look at the ever-growing, cash-rich list of competitors to Comcast in DSL, cable, wireless and content distribution, ranging from AT&T and Verizon to DirecTV and Dish to Apple, Yahoo, Netflix, Hulu, Google and Facebook.

And while Comcast has been at the vanguard of innovation for more than a quarter century, we believe the combination of Comcast and Time Warner is necessary (for both entities) to compete and ultimately weather the current upheaval in the cable and Internet industries. By coming together, we expect the combined Comcast-Time Warner entity to use its increased scale and combined specializations to accelerate the pace of technological innovation and application even further for the ultimate benefit of consumers.

## **II. Comcast: A History of Community Stewardship**

This transaction is about more than revenues, market share and stock prices, and Comcast is more than just a broadcasting and cable company. Comcast has proven itself to be an outstanding corporate citizen. Here in Southern California, Comcast’s NBCUniversal unit has supported a number of nonprofits such as United Way, Operation School Bell, Chicano Federation of San Diego County and City Year – just to name a few.

Comcast has also devoted capital, expertise and programmatic support to bridging the digital divide, which is an especially insidious problem here in L.A. County between underserved regions and population segments in terms of their Internet and broadband access, usage and adoption. In particular, Comcast currently employs the “Internet Essentials” program, which aims to bring broadband to many households in low income communities at a reduced price.

We – at the LAEDC – know first-hand that too many of Los Angeles County’s residents and businesses are on the wrong side of the digital divide; unfortunately, Time Warner does not currently operate a comparable low-cost service program. This puts large numbers of our County’s residents, businesses, job seekers, students and many other at-risk populations at a distinct and grave information disadvantage – one that we believe Comcast can resolve.

Comcast also has successful digital literacy training programs, such as “Digital Connector.” And like its “Internet Essentials” (broadband access) program, we expect Comcast to deploy these

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<sup>1</sup> Brookings Institution, Metropolitan Policy Program, Bruce Katz and Julie Wagner (dated: May 2014). “The Rise of Innovation Districts: A New Geography of Innovation in America.”



literacy programs here in Los Angeles to educate and empower more of our residents – many of whom remain digitally illiterate and thus disadvantaged in terms of interacting with others, obtaining critical services, and being employed.

**In conclusion**, we believe the proposed Comcast-Time Warner transaction is good for competition and good for communities. For all of these reasons, the LAEDC supports the proposed Comcast-Time Warner transaction.

Sincerely,

A handwritten signature in blue ink, which appears to read "Bill Allen", is positioned above the printed name.

Bill Allen  
President & CEO  
LAEDC